



May 26, 2009

BY FACSIMILE (202) 514-2836

Registration Unit
Counterespionage Section, Criminal Division
U.S. Department of Justice
Washington, D.C. 20530

Re: Ketchum Inc. (Registration #5758) – Informational Materials

Dear Sir/Madam:

Pursuant to the Foreign Agents Registration Act of 1938, attached please find informational materials disseminated by Ketchum on behalf of Gazprom Export.

If you require additional information, please feel free to contact me at 646-935-4058.

Regards,



Craig Mersky
General Counsel

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CRM/GES/REGISTRATION UNIT

From: Kotova, Anya
Sent: Tuesday, May 26, 2009 10:06 AM
To: Kotova, Anya
Subject: Statement by Gazprom on Ukraine's gas payment difficulties

Attachments: Statement by Gazprom on Ukraine's gas payment difficulties_26 May.pdf
Attached, please find Gazprom's statement on the current state of affairs regarding Ukraine's gas payments.
Below are some key points to keep in mind regarding the situation.

- Gazprom's statement is not a threat but a description of the current situation, and the company's concerns, regarding the state of payments for Russian gas supplies to Ukraine.
- Gazprom has gone above and beyond its contractual obligations to assist Naftogaz Ukrainy in making payments. The only reason Naftogaz Ukrainy was able to make the April payment was because Gazprom has prepaid all of its 2009 transit fees, which covered the two-thirds of the April payment Naftogaz Ukrainy could not otherwise make.
- In addition, Gazprom has not charged Naftogaz Ukrainy any fees for buying less gas from January through April than it was contractually obligated to purchase.
- Gazprom is willing to go further to help prevent another gas crisis, but needs the involvement of other affected parties in Europe to encourage Ukraine to take responsibility.
- From January through April Naftogaz Ukrainy sold significantly more gas to domestic consumers than it had bought from Gazprom by drawing gas from its underground storage reserves. Due to the decline in gas consumption in the summer months, Naftogaz Ukrainy will receive less money from its consumers. It thus has no money to refill its underground storage with 19 bcm necessary to fulfill its transit obligations during the winter months.
- The inability of Naftogaz Ukrainy to pay for gas supplies is a concern for Russia as well as the EU, since both the reliability of gas supplies from Russia and Europe's energy security are at stake.

Please don't hesitate to give me a call with any questions.

***Materials disseminated by Ketchum Inc. on behalf of Gazprom. Additional information regarding the dissemination of these materials can be obtained at the Department of Justice.*

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Statement by Gazprom on Ukraine's gas payment difficulties

Moscow, May 26, 2009

Following a working meeting with Naftogaz Ukraine CEO Oleg Dubina on the payment for Russian gas deliveries in Moscow yesterday, **Alexei Miller**, Gazprom Management Committee Chairman, said the following:

"We consider the payment situation for Russian gas supplies to Ukraine in May as very, very serious. If there is a disruption with Ukraine's payments, Gazprom has the legal right to switch to a 100% prepayment scheme."

Sergei Kupriyanov, Gazprom spokesperson, added: "The key issue at this moment is the timely and full payment for Russian gas, including the gas that Ukraine needs to replenish its underground storages. The information presented to Gazprom during the meeting showed the dire financial state of the Ukrainian company and once again confirmed that the questions arising with regard to Ukraine's ability to pay for supplied Russian gas are well-founded. Naftogaz Ukraine is finding it enormously difficult to pay its bill for May."

It should not be forgotten that Gazprom is a commercial company working with Naftogaz Ukraine on the basis of commercial agreements and therefore has every reason to act in accordance with these agreements. This means if the Ukrainians are unable to pay for the supplied gas, Gazprom may automatically implement a 100% advance payment requirement in the future.

The Gazprom Group fully understands the importance of this problem for Europe's energy security and is already showing maximum goodwill by doing everything it can to prevent another crisis. This year Gazprom already allowed Ukraine to receive payment for transit in advance, and decided not to impose penalties on Naftogaz for violating the terms of the agreement from January-April with regard to the minimum volume of gas purchased.

For this reason, not only Gazprom, but also its European partner companies must take a keen interest in preventing financial difficulties of the Ukrainian company. This is a concern for Russia as well as the EU and its member states, since the reliability of gas supply from Russia and Europe's energy security are at stake.

In this situation we are hoping that the EU bodies will assume some responsibility for the situation rather than sidestep the possible difficulties as it did during the transit crisis that arose in Ukraine in early January 2009. We need to actively search for ways to work together to solve this problem.

This latest critical situation with Ukraine confirms once again the urgency of diversifying gas transit routes. The construction of new gas pipelines (Nord Stream, South Stream) will significantly reduce transit risks while reinforcing Russia as a reliable supplier in the interests of all parties—suppliers, customers and end consumers. The EU must act decisively to facilitate the completion of these projects."



Background:

Naftogaz Ukraine was only able to pay one-third of the amount it owes for the month of April. In order to allow the Ukrainian company to pay the entire price of the supplied gas, the Gazprom Group made an additional advance payment for the transit of gas through Ukraine which covered Naftogaz's bill for the month of April. Taking into account the advance payment made in January in the amount of \$1.7 billion, Gazprom has now paid for the transit of gas through Ukraine in 2009 in full. The limit on this year's advance payments has been exhausted.

What makes the situation more difficult now is that from January-April the Ukrainian company sold significantly more gas to domestic consumers than it had bought from Gazprom by drawing gas from its underground storages. Due to the seasonal peculiarities of the market, gas consumption will fall this summer, and payments to the supplier—Naftogaz Ukraine—will fall along with them. Naftogaz will see its income falling while its expenses will be rising.

In addition to the current supply Naftogaz will have to buy and pump about 19 bcm of gas into the storages in order to prepare for the winter. This gas will not only be for domestic consumption within Ukraine but also for the fulfilment of the Ukrainian company's obligations to transport Russian gas to Europe.

Ukraine's underground gas storages were nearly emptied in early January, when Ukraine was drawing a minimal amount of (at that time) more expensive Russian gas. Replenishing the storages is a key concern both for domestic consumption this coming winter and in guaranteeing gas transit to Europe.

Taking into account Ukraine's near-monopoly position in the transit of natural gas from Russia to Europe, the repercussions of Naftogaz's financial problems are clearly not limited only to Naftogaz and its shareholder—the Ukrainian state but Europe as a whole.

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